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the food and agricultural situation in

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FOOD AND AGRICULTURAL SITUATION IN FINLAND

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Finland has become increasingly dependent on food imports since World War II. Before the war, imports provided about 25 percent of the needed food, in terms of calories. Now, they provide nearly 40 percent. About half or more of Finland's bread grains, two-thirds of its fruit, and over four-fifths of its sugar are imported.

Of Finland's total imports in 1950-55, 18 percent were foodstuffs, beverages, and tobacco, while only 2 percent of all outgoing goods were of agricultural origin. In 1938 the corresponding percentages were 14 and 8.

Finland has these large deficits in grains and some other food crops and it tends to have surpluses in livestock products, especially milk, mostly because Finnish farm price policies, and its climate and soil, encourage livestock production. But Finland is a high cost producer and can find export markets only with heavy subsidies.

There are no indications that production of bread grains, fruit, or sugar will be substantially increased, and thus no immediate prospects of substantial reduction in imports. The basic problem is to maintain the economic position of the farmer while providing consumers with adequate food supplies at reasonable prices. A more realistic ratio between bread grain and milk prices might encourage bread grain production and reduce the surplus of dairy products, but this is difficult to achieve because most farms are too small for the operator to make a living from bread grain production, even where soil and climate permit it.

More Demand on Fewer Acres

The Finnish economy is highly dependent on its rich forest resources, which cover almost 70 percent of the total land area. Tillable land is barely 9 percent of the total. This lack of arable land, along with a short growing season, relatively poor soil, and retarded mechanization (due to small size of holdings) make it difficult to raise food output to the desired level. Even under the system of interrelating cost-of-living, wages, and farm income, entitling the farming sector to a proportionate increase in its net income, food production remains short.

Another major factor contributing to the postwar lag in food production was the territorial loss of about 12 percent to the Soviet Union under the armistice of 1944. Some of the better agricultural land was in this area. It consisted of over 10 percent of the grain land, about 13 percent of the potato land, and over 40 percent of the sugar beet area, mostly in the Karelian section.

The land was lost, but there was no corresponding decline in population. Over 400,000 people (about 10 percent of the Finnish population) migrated from the ceded territory, creating new pressure on the resources of the remaining area. Thus, Finland had to increase its imports of foodstuffs, mainly wheat, sugar, fruits, and fats, for which it could ill afford to spend its scarce foreign exchange.

At the same time, Finland took measures to increase production; and the trend of its agricultural policy has been toward filling the gap caused by reduction in area. A high degree of agricultural protection and many-sided price and marketing policies have been maintained to secure a higher degree of self-sufficiency.

In the effort to regain a better relationship between cultivated land and population, and to provide a livelihood for some 40,000 displaced farm families, methods have had to be found to bring new land into production. Land clearing and drainage activities under the land laws of 1945 have helped to increase production. In addition, large and middle-sized farm units were split up in order to absorb the dislocated farm population. But in a country where farm units seldom reach the optimum size, this practice did not foster agricultural productivity.

Though it has not been able to keep pace with the needs of the growing population, Finnish farm output made rapid recovery in the immediate postwar period and has continued to increase. Not only has total food production risen to its former level, but production of some types of commodities has exceeded previous levels.

Production Patterns

Grass and hay, mostly timothy and red clover, are the most important crops in Finland, comprising over 50 percent of the arable area; and the climate has been relatively favorable for production of fodder. The oats crop, which is the largest grain crop grown in Finland, comprises about one-half of the total grain acreage, followed by one-fourth in barley, and one-fourth in wheat and rye combined. Oats is a popular grain because it is adapted to a cold, short growing season.

Table 1.--Indices of agricultural production in Finland
(Prewar = 100)

Year	Gross 1/		Net 2/	
	Total	Livestock products only	Total	Livestock products only
1952-53....	118	122	118	122
1953-54....	126	130	128	133
1954-55....	128	132	125	130
1955-56....	126	134	122	129
1956-57....	129	137	128	136

Prewar estimates of production of individual commodities are mostly official estimates and mostly refer to the period 1933-34 to 1937-38.

Prewar area has been adjusted for the postwar boundaries.

1/ No deduction for imported feed.

2/ Excluding the value of imported feed.

Dairy products are first in economic importance in Finnish agriculture, furnishing over one-half of the total agricultural income. About 45 percent of all the milk produced is consumed as whole milk, and a similar share is used in butter manufacture, while smaller amounts go into the manufacture of cheese and are used for livestock feed.

Among the main food crops, sugar beets have increased somewhat, but total bread grain production has continuously declined, owing to a sharp drop in the rye crop. Wheat production is equal to or above prewar totals, but grains have suffered from rains in the last few years and have had to be used for feed because of their poor milling quality.

Food Consumption

In terms of energy, consumption appears to be about the same as before the war, or about 3,100 calories per person per day. Increased consumption of sugar seems to balance out the decline in calories from grain and potatoes. The calorie comparison does not necessarily provide a good measure of the diet since foods high in calorie value may not be items of good nutritional quality. Nevertheless, on the whole, food consumption is high and the Finns are well fed. Except for the short supply of fruits and vegetables, the food consumed is of high quality, nutritionally, with the average per capita consumption of animal proteins relatively high.

Over 35 percent of the total calorie requirements in Finland are obtained from grains, and there appears to be a gradual increase in grain consumption. The explanation perhaps is that, with the cost of living going up and unemployment relatively high, less consumer money is available for expensive foods. The consumption of wheat is now almost twice that of rye, a reversal of the situation prior to the war. No significant changes have occurred in oats products, and barley consumption has declined slightly since the war.

The greatest decline has occurred in the consumption of potatoes--55 kilograms per person since 1939. Much of the potato crop is being fed to livestock. But potatoes are a welcome standby for Finnish farmers, for they can be produced quickly and abundantly at a relatively low cost in critical times when Finns have to depend on carbohydrate foods for their nourishment.

In the consumption of refined sugar, on the other hand, there has been a rather pronounced increase. The quantity consumed per person reached a high during 1956-57 (of 40 kilograms). It is felt, however, that actual consumption during this period was much less, for the Suez crisis increased the retail sales of sugar during the latter part of 1956; this increase apparently showed up as increased consumption. Some sugar was probably carried over in home stock to the next year.

Consumption of fruits and vegetables is low. Although available in urban areas all year round in frozen form, vegetables are very expensive during most of the year. As a result, few are consumed in winter and spring.

Fruit availability varies from year to year, depending on both the domestic supply and the imports that are permitted. Apples and berries are produced domestically, as are small quantities of pears, cherries, and plums. There has been a growing popularity of citrus, tropical, and deciduous fruits in the postwar period; apples, oranges, and bananas account for the largest increase in fresh fruits. More dried fruits have been consumed since the war, too; but at present, high retail prices and less available consumer money for "luxury" foods keep additional consumption at a minimum. Also, the supply

Table 2.--Annual per capita food consumption in Finland, by major food groups (excluding alcoholic beverages), average 1935-39, annual 1953-57

Year ending June 30	Population	Grain as flour	Sugar refined	Potatoes	Dry legumes	Other vegetables	Fruit 1/	Meat 2/ carcass weight	Fish 3/ landed weight	Fats 4/ (fat content)	Cheese	Whole milk	Eggs	Total per day
	Thousand	Kg.	Kg.	Kg.	Kg.	Kg.	Kg.	Kg.	Kg.	Kg.	Kg.	Kg.	Kg.	Calories
1935-39 ave. 5/	3,211	139	29	160	3	20	18	34	14	13	2	283	3	3,070
1953.......	4,116	112	34	120	2	24	21	29	16	18	2	267	7	2,925
1954.......	4,164	114	34	118	2	22	23	30	17	18	3	288	8	3,025
1955.......	4,215	113	36	116	2	23	34	31	17	20	3	301	7	3,095
1956.......	4,265	115	38	116	1	20	29	34	17	20	3	282	7	3,150
1957.......	4,315	119	41	105	1	20	31	33	16	21	3	272	7	3,150

1/ Fruit in terms of fresh.

2/ Carcass weight.

3/ Landed weight.

4/ Fat content.

5/ Data adjusted for postwar boundaries.

Data based on official sources when available, otherwise estimated.

of some imported dried and canned fruits has been restricted and sometimes kept off the market because of shortages of foreign currency for imports.

More pork and less beef and veal were consumed in 1956-57 than in prewar. The consumption of pork per person in 1956-57 amounted to 13.6 kilograms, an increase of 1.8 kilograms since 1938. The consumption of beef during the same period decreased by 2.5 kilograms to a low of 14.6 kilograms in 1956-57. There were only insignificant changes in the consumption of poultry, mutton, horsemeat, and reindeer. Meat consumption is not exceptionally high, so Finland normally is self-sufficient in meat production, and even exports pork occasionally.

Butter consumption per capita is very high--almost 14 kilograms per person in 1956-57. Only Ireland and New Zealand can boast a higher butter consumption.

Fluid milk consumption is among the highest in the world, ranging from 270-300 kilograms per year. This high rate, due in part to low consumer prices made possible by subsidy payment to producers and processors, has recently declined slightly, largely because of consumer price increases. Consumption of fresh milk remains relatively stable from year to year, while any significant increase in milk production leads to an increase in the output of butter. Already burdened with heavy stocks of butter and cheese, Finland had to find additional export outlets for these products with the aid of heavy subsidies to bring the export price to the world market level. This method is of course costly to the government. With milk consumption so high, it is not likely that a decrease in milk prices can lead to a sufficiently large increase in milk consumption to solve the problem.

Additional cheese consumption since before the war, along with rising exports, has not been sufficient to absorb the domestic production, and a curtailment by the industry has been necessary. As a result, the output of cheese in 1957 declined by 17 percent over the previous year. Normally about one-half of the cheese production is available for export.

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